



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

October 12, 2001

S. 1465

An act to authorize the President to exercise waivers of foreign assistance restrictions with respect to Pakistan through September 30, 2003, and for other purposes

As passed by the Senate on October 4, 2001

S. 1465 would provide the President with specific authority to waive restrictions in current law and in annual appropriations acts that would prohibit assistance to the government of Pakistan. Specifically, the waiver would apply to restrictions on assistance to countries whose duly elected head of government is deposed by military coup or decree and assistance to countries in default on loans to the U.S. government. In addition, the act would shorten the notification period for Presidential waivers of other sanctions that would apply to Pakistan.

The waiver authority in S. 1465 could be used to provide assistance to Pakistan by transfer from the emergency response fund provided in Public Law 107-38, the 2001 Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States. Given the contingent nature of the emergency response fund, CBO cannot estimate what, if any, effect S. 1465 would have on spending. S. 1465 would not otherwise affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply.

Under current law, the President may use the special authority in section 614 of the Foreign Assistance Act of 1961 to waive all restrictions that would prohibit direct assistance and authorize up to \$50 million for any one country in any year. Under S. 1465, the \$50 million limit would not apply and amounts in excess of \$50 million could be provided to Pakistan. On September 28, 2001, the President used that special authority to waive all restrictions that would prohibit direct assistance to Pakistan and authorized up to \$50 million be provided. The authority in section 614 could be used again in 2002.

The only restrictions addressed by S. 1465 that do not contain Presidential waiver authority are those contained in annual appropriations acts. The Foreign Operations Appropriations Act for 2002 has not been enacted. Until it is, the restrictions in the 2001 appropriation act continue in force. S. 1465 would not authorize the appropriation of funds and would not

circumscribe decisions on spending or restrictions that the Congress may make in any subsequent appropriation for 2002.

S. 1465 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact is Joseph C. Whitehill. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.